

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2006-180-C - ORDER NO. 2006-454
AUGUST 2, 2006

IN RE: Request of South Carolina Telephone)	ORDER APPROVING
Coalition for Certification of the Use of)	SUBMITTAL OF
Universal Service Funds Pursuant to 47 C.F.R.)	VERIFICATION
54.314 and Telecommunications Act 254(e))	LETTERS
Federal Communications Commission CC)	
Docket No. 96-45)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the request of the South Carolina Telephone Coalition (“SCTC”) that this Commission submit a letter to the Federal Communications Commission (“FCC”) and the Universal Service Administration Company (“USAC”), verifying that the SCTC member companies are in compliance with Section 254(e) of the Telecommunications Act. SCTC submitted company specific affidavits attesting to the fact that Federal Universal Service Funds will be used as intended in compliance with Section 254(e) of the Telecommunications Act.

The FCC’s rules require that, in order for carriers to receive the federal support for which they are eligible, state commissions must file an annual certification with USAC and the FCC stating “that all federal high-cost support provided to such carriers [rural incumbent local exchange carriers and competitive carriers classified as eligible telecommunications carriers serving lines in an area of a rural incumbent local exchange

carrier] will be used only for the provision, maintenance and upgrading of facilities and services for which the support is intended.” 47 C.F.R. Section 54.314. These certifications must be submitted by the state commission prior to October 1 of each year in order for the companies to receive the full federal funding for which they are eligible.

According to SCTC federal high cost support is administered by USAC. USAC has contracted with NECA to assist in data collection necessary for the remittance of universal service funds. Therefore, each of South Carolina’s rural LECs submits, no less frequently than annually, detailed information requested by NECA in the USF data collection process. The information that is submitted by rural carriers must be attested to by the companies. Further, NECA and its auditors must attest to the validity and integrity of NECA’s process. The information provided in response to all of the universal service fund mechanisms utilizes FCC accounts for regulated costs and must be in compliance with FCC rules in Parts 32, 36, 54, and 64.

Given the existing checks and balances, along with the fact that the certification is prospective in nature (i.e. the certification filed in October is for the following calendar year), the SCTC believes that self-certification from South Carolina’s rural LECs is appropriate, and that the Commission may rely on such certification. The SCTC believes that safeguards are already in place, including audits of the information that is submitted to USAC and the FCC, to ensure that the basis for the calculation of the funds is appropriate. SCTC further notes that timing is critical, because if certification is not accomplished by October 1, 2006, federal support for universal service in the areas

served by the rural carriers in South Carolina will not be provided for at least the first quarter of 2007.

The Office of Regulatory Staff (ORS) has examined the request. ORS notes that in the affidavits presented, a representative of each coalition member company certified that the company would use the federal universal service high-cost support received during 2007 only for the provision, maintenance, and upgrading facilities and services for which the support is intended. ORS states that it recognizes that this certification process has been sufficient in prior years and does not oppose SCTC's request.

We have examined the SCTC request and the supporting affidavits, and we agree that the prior certification process has been sufficient in prior years and is still sufficient. Accordingly, we grant the requested relief. This Commission will submit a letter to both the FCC and the USAC, verifying that the SCTC member companies are in compliance with Section 254(e) of the Telecommunications Act. The letters will be submitted as soon as is practicable, due to the need for certification by October 1.

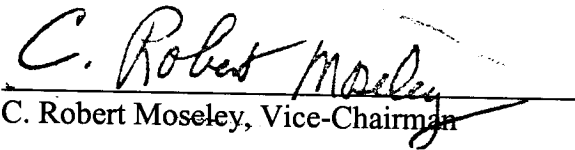
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:


C. Robert Moseley, Vice-Chairman

(SEAL)